

**BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2015-94-C

In re

**American Broadband and
Telecommunications Company**

**Application of American Broadband and
Telecommunications Company For
Designation as an Eligible
Telecommunications Carrier for the Purpose
of Offering Lifeline Service on a Wireless
Basis**

**Direct Testimony
May 13, 2015**

DIRECT TESTIMONY OF JEFFREY S. ANSTED

ON BEHALF OF

AMERICAN BROADBAND AND TELECOMMUNICATIONS COMPANY

DIRECT TESTIMONY OF JEFFREY S. ANSTED

Q. WHAT IS YOUR NAME AND BUSINESS ADDRESS?

A. My name is Jeffrey S. Ansted and my business address is One Seagate, Toldeo, Ohio 43604.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

A. I am testifying on behalf of American Broadband (“American Broadband” or the “Company”), the Applicant in this proceeding.

Q. BY WHOM ARE YOU EMPLOYED AND WHAT POSITION DO YOU HOLD?

A. I am employed by American Broadband and serve as President and Chief Executive Officer of the Company.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND EMPLOYMENT BACKGROUND.

A. I have more than 12 years of experience in the broadband, telecommunications, and Internet industries. I am the sole owner and currently serve as President and Chief Executive Officer of American Broadband. Since I founded the Company, American Broadband has grown from a start-up to a regional integrated telecommunications company with over 35,000 customer lines with revenues currently annualizing at more than \$20 million, through wireline and wireless product offerings. Previously, I was the Director of Strategy and Wholesale Marketing at Covad Communications, the largest national competitive local exchange carrier (“CLEC”), where my contributions were

1 integral to the strategy and revenue growth of the company which was less than \$100
2 million in 1998 and grew to more than \$400 million in 2002. Prior to joining Covad, I
3 was the Director of National Sales for LaserLink Network Services, the nation's largest
4 Virtual Internet Service Provider (VISP), where I created and maintained the sales
5 relationships and marketing initiatives for the Private-label Internet services of American
6 Express, Sony, Qwest, and other Fortune 500 companies. I earned my Bachelor of Arts
7 from the University of Toledo.

8
9 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY REGULATORY**
10 **COMMISSIONS?**

11 A. Yes. I have submitted written testimony and testified in person on behalf of American
12 Broadband before the Illinois Commerce Committee for a Permanent Waiver of an ETC
13 Condition and Request for Expedited Relief. In addition, I have submitted testimony and
14 am in the process of submitting written testimony on behalf of American Broadband in
15 other pending Eligible Telecommunications Carrier ("ETC") applications, such as before
16 the Colorado Public Utilities Commission.

17
18 **Q. HAVE YOU REVIEWED AMERICAN BROADBAND'S ETC PETITION IN**
19 **SOUTH CAROLINA AND OTHER DOCUMENTS FILED ON BEHALF OF**
20 **AMERICAN BROADBAND IN THIS PROCEEDING?**

21 A. Yes. I would like to incorporate American Broadband's Petition for Designation as an
22 ETC in the State of South Carolina into this testimony by reference.

23

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

2 A. The purpose of my testimony is to demonstrate that American Broadband satisfies the
3 requirements of the Public Service Commission of South Carolina (“Commission”) and
4 the Federal Communications Commission (“FCC”), under rules of the FCC and S.C.
5 Code Ann. Regs. § 103-690, for designation as a wireless resale ETC in the State of
6 South Carolina within the service area proposed in the Company’s Application and,
7 further, that grant of this designation is in the public interest.

8
9 **Q. PLEASE BRIEFLY DESCRIBE AMERICAN BROADBAND AND ITS**
10 **OPERATIONS.**

11 A. American Broadband is a Delaware corporation with principal offices in Toledo, Ohio.
12 American Broadband was formed by experienced telecom industry professionals,
13 including myself, to provide high-caliber wireline and wireless services to consumers.
14 American Broadband initially concentrated on providing these services in the Midwest,
15 such as in Ohio and Michigan. However, with its success in the non-Lifeline and Lifeline
16 markets, American Broadband has expanded its scope to states on the east coast and,
17 more recently to western states. The Company’s business plan is to provide competitive
18 offerings for wireline and domestic wireless voice and data services on a prepaid, resale
19 basis, primarily to low-income consumers. For its wireless offerings, the Company
20 provides affordable prepaid voice service, enhanced with optional data services and
21 supported by high quality customer service.

22 American Broadband is currently authorized to provide competitive telecommunications
23 services to consumers in the States of Georgia, Illinois, Indiana, Kentucky, Maryland,

Michigan, Missouri, New York, Ohio, Pennsylvania, West Virginia, and Wisconsin on a resale and/or facilities-basis. In addition, American Broadband is designated as an ETC provider in the following states:

State	Name(s)	Proceeding Number	Order Date
Illinois	American Broadband and Telecommunications Company, Inc.	12-0680	Approved 02/05/2014
Indiana	American Broadband and Telecommunications Company, Inc.	41052-ETC-62	Approved 12/27/2012
Kentucky	American Broadband and Telecommunications Company, Inc.	2013-00175	Approved 09/18/2013
Maryland	American Broadband and Telecommunications Company, Inc.	ML# 148855; TE-11152	Approved 09/18/2013
Michigan	American Broadband and Telecommunications Company, Inc.	U-16519	Approved 06/26/2012
Minnesota	American Broadband and Telecommunications Company, Inc.	P-6916/P-13-675	Approved 05/28/2014
Missouri	d/b/a American Assistance	RA-2014-0225	Approved 06/25/2014
Ohio	American Broadband and Telecommunications Company, Inc.	12-1714-TP-UNC	Approved 08/22/2012
West Virginia	American Broadband and Telecommunications Company, Inc.	12-1002-C-PC	Approved 12/28/2012
Wisconsin	American Broadband and Telecommunications Company, Inc.	133-TI-100	Approved 09/26/2012

And, American Broadband has a pending application for ETC designation in several states and federal-default jurisdictions.

1 **Q. PLEASE BRIEFLY DESCRIBE THE LIFELINE SERVICES THAT AMERICAN**
2 **BROADBAND INTENDS TO PROVIDE IN SOUTH CAROLINA.**

3 A. American Broadband expects to offer a menu of prepaid wireless plans to South Carolina
4 Lifeline consumers. These plans will consist of a set number of prepaid minutes and
5 texts per month, without rollover, to make voice calls or texts as the customer prefers.
6 American Broadband will also offer certain data services (such as Internet access and text
7 messaging).

8
9 **Q. HOW WILL AMERICAN BROADBAND'S SERVICE OFFERINGS IN SOUTH**
10 **CAROLINA BE DISTINCT FROM THOSE OFFERED BY OTHER WIRELESS**
11 **CARRIERS?**

12 A. American Broadband expects that its Lifeline wireless offerings will be among the lowest
13 cost offerings of the number of voice minutes and texts provided in the South Carolina
14 market compared to its competitors.

15
16 **Q. WHAT RELIEF DOES THE COMPANY SEEK IN ITS APPLICATION?**

17 A. American Broadband seeks designation as an ETC in the State of South Carolina for
18 purposes of receiving federal universal service Lifeline support. The Company does not
19 seek to receive state or federal high-cost fund support or support from any other universal
20 service funds.

21
22 **Q. PLEASE DESCRIBE THE COMPANY'S PROPOSED SERVICE AREA FOR**
23 **ETC DESIGNATION.**

1 A. As discussed below, American Broadband offers its wireless offerings on a reseller basis,
2 and consequently seeks designation as an ETC in the geographic area in South Carolina
3 where its underlying carriers, T-Mobile USA (“T-Mobile”) and SprintCom Wireless Co.,
4 L.P. and Nextel West Corp. (jointly, “Sprint PCS”), provide coverage. Towards this end,
5 the Company submitted a list of exchange areas in South Carolina where American
6 Broadband proposes to offer Lifeline services as an exhibit to its ETC Petition.

7
8 **Q. PLEASE DESCRIBE HOW THE COMPANY WILL PROVIDE ITS SERVICES**
9 **IN SOUTH CAROLINA?**

10 A. American Broadband intends to operate as a wireless reseller, purchasing wireless
11 network infrastructure and transmission facilities on a wholesale basis from Sprint and T-
12 Mobile. For T-Mobile, this arrangement will be effectuated through an intermediary.
13 This plan will enable American Broadband to access competitive wholesale pricing not
14 directly available to a start-up wireless provider. In addition, American Broadband
15 continues to evaluate available industry resources to obtain the best pricing and service
16 arrangements. American Broadband will apply its own expertise to manage service plan
17 design and pricing, marketing, and ongoing customer service operations to the services it
18 provides.

19
20 **Q. WHAT ARE THE REQUIREMENTS FOR DESIGNATION AS AN ETC**
21 **PURSUANT TO FEDERAL AND SOUTH CAROLINA LAW?**

22 A. The primary requirements for ETC designation are located in Section 214 of the
23 Communications Act of 1934 (“Act”). Section 214(e)(2) of the Act provides that, upon

1 request and consistent with the public interest, convenience and necessity, the
2 Commission may designate more than one common carrier as an ETC in areas served by
3 a rural telephone company and shall do so with respect to all other areas, provided that
4 the requesting carrier (i) offers services that are supported by federal universal service
5 support mechanisms and (ii) advertises the availability of such services.

6 Federal law also requires that ETCs provide the supported services using their own
7 facilities or a combination of their own facilities and resale of other carriers' facilities
8 unless they are granted forbearance from this requirement. Notably, however, in early
9 2012, the FCC issued a decision (discussed below) which establishes a protocol for grant
10 of blanket forbearance to resellers based upon satisfaction of specified conditions.¹

11 Additional conditions for ETC designation include: (i) the applicant's certification that it
12 will comply with service requirements applicable to the support it receives; (ii)
13 demonstration that the applicant will be able to remain functional in emergency
14 situations; (iii) demonstration that the applicant will satisfy specified consumer protection
15 and service quality standards; and (iv) demonstration of financial and technical ability to
16 provide the supported services. Pursuant to S.C. CODE ANN. REGS. § 103.690, ETC
17 designations may be granted only when the designation will further state and federal
18 universal service goals.

19
20 **Q. DOES AMERICAN BROADBAND SATISFY THESE REQUIREMENTS?**

21 **A.** Yes.

¹ See *Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report And Order and Further Notice Of Proposed Rulemaking, FCC 12-11, ¶ 368 (Feb. 6, 2012) ("*Lifeline Reform Order*").

1 **Q. WILL AMERICAN BROADBAND BE A COMMON CARRIER, AS DEFINED IN**
2 **FEDERAL LAW?**

3 A. Yes. Section 332(c)(1)(A) of the Act specifically provides that providers of commercial
4 mobile radio services (wireless providers) are to be regulated as common carriers, and the
5 FCC has clearly reiterated this point.

6
7 **Q. DOES AMERICAN BROADBAND COMMIT TO PROVIDE THE SUPPORTED**
8 **SERVICES THROUGHOUT ITS ETC SERVICE AREA?**

9 A. Yes. The FCC's Connect America Fund Order modified Section 54.101 of the FCC's
10 rules, which defined the list of supported services.² The new rule indicates that the
11 universal service programs will support "voice telephony service," which is defined by
12 four "supported services": (i) voice grade access to the public switched network; (ii)
13 local usage; (iii) access to emergency services; and (iv) toll limitation. American
14 Broadband complies with each of these requirements.

15 First, the FCC has stated that voice-grade access consists of the ability for a user to make
16 and receive telephone calls within a specified bandwidth.³ American Broadband will
17 provide this service via resale of Sprint PCS and T-Mobile mobile services to low-
18 income customers throughout its designated service area.

19 Second, the FCC's rules require an applicant for ETC designation to demonstrate that its
20 proposed local usage plan is comparable to one offered by the incumbent local exchange
21 carrier ("ILEC") in the same designated service area. The determination of comparability

² See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, FCC 11-161 ¶ 78 (rel. Nov. 18, 2011), *pets. for review pending sub nom. In re: FCC 11-161, No. 11-9900* (10th Cir. filed Dec. 18, 2011).

³ See *Federal-State Joint Board on Universal Service*, 12 FCC Rcd 8776, 8810-11 (1997).

1 requires a case-by-case review, taking into account value-added capabilities and services
2 included within a service plan. American Broadband's proposed Lifeline offerings are
3 comparable to the plans offered by the incumbent LECs in the same designated service
4 area. The Company will offer nationwide domestic voice minutes through "American
5 Assistance," the Company's Lifeline Assistance program, throughout its designated
6 service area in South Carolina, and affords consumers with the ability make calls to 911
7 emergency services on a free-basis, regardless of service activation or availability of
8 minutes. In addition, 911 emergency services will not count against the customer's
9 airtime. In addition, the plans (which are described in greater detail below) include free
10 customer service (611) (with no usage or fees charged) and no-fee directory assistance
11 calls (411) (however, 411 calls will count as airtime minutes of usage).

12 Third, the Company will provide access to emergency services provided by local
13 government or public safety officials, including 911 and E911 where available. In
14 addition, American Broadband will comply with any FCC or Commission requirements
15 regarding customer access to 911 and E911 services, as well as the provision of E911-
16 compatible handsets, specifically including those obligations imposed as part of the
17 FCC's forbearance grant conditions.

18 Lastly, the toll limitation service ("TLS") does not apply to American Broadband's
19 wireless offering. Like most wireless carriers, American Broadband does not
20 differentiate domestic long distance usage from local usage and all usage is paid for in
21 advance. Pursuant to the *Lifeline Reform Order*, subscribers to such "all-distance"

1 services are not considered to have voluntarily elected to receive TLS.⁴ If, in future,
2 American Broadband should offer a Lifeline service which differentiates between local
3 usage and long distance usage, the Company commits to provide TLS to customers of
4 that service.

5
6 **Q. WILL AMERICAN BROADBAND ADVERTISE THE AVAILABILITY OF**
7 **THESE SUPPORTED SERVICES USING MEDIA OF GENERAL**
8 **DISTRIBUTION, AS REQUIRED BY 47 U.S.C. § 214(e)(1)(B)?**

9 A. Yes. The Company will advertise the availability of its Lifeline services using methods
10 reasonably calculated to effectively reach Lifeline-eligible customers in its service area as
11 required by Sections 54.201(d)(2) and 54.405(b) of the FCC's Rules as well as S.C. CODE
12 ANN. REGS. § 103-690. Towards this end, American Broadband expects to advertise its
13 Lifeline services in a variety of ways, such as using media of general distribution and
14 outreach programs to target low-income consumers. The Company will expand these
15 outreach efforts as necessary to ensure that it reaches Lifeline-eligible customers.
16 Further, American Broadband will comply with all FCC requirements pertaining to the
17 content of this advertising, including the disclosures required by Section 54.405(c) of the
18 FCC's rules. Pursuant to S.C. CODE ANN. REGS. § 103-690(a)(7), American Broadband
19 provided an affidavit certifying its compliance with these requirements as Exhibit B to its
20 Application. A two-year plan for advertising and outreach was submitted as Exhibit C to
21 the Company's Application, pursuant to S.C. CODE ANN. REGS. § 103-690 (C)(a)(1)(C).

⁴ See *Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, 27 FCC Rcd 6656, ¶ 230 (2012) ("Lifeline Reform Order").

1 Additionally, an example of American Broadband's advertising was submitted as an
2 exhibit to the Company's proposed FCC Compliance Plan.

3
4 **Q. HOW DOES AMERICAN BROADBAND PROPOSE TO COMPLY WITH THE**
5 **REQUIREMENT THAT ETCs PROVIDE SERVICES SUPPORTED BY**
6 **FEDERAL UNIVERSAL SERVICE SUPPORT MECHANISMS EITHER BY USE**
7 **OF THEIR OWN FACILITIES OR BY USE OF A COMBINATION OF THEIR**
8 **OWN FACILITIES AND RESALE?**

9 A. As noted, providers have always had the option to request forbearance from the "own
10 facilities" requirement from the FCC. In February of 2012, in the *Lifeline Reform Order*,
11 the FCC granted resellers a granted blanket forbearance from the facilities requirement
12 for low-income-only ETC operations provided they meet specified conditions. These
13 conditions include: (i) provision of 911 and E911 service regardless of activation status
14 or available minutes; (ii) provision of E911-compliant handsets and replacement of non-
15 compliant handsets to Lifeline customers; (iii) filing of a compliance plan containing
16 specific information concerning both the carrier's service offerings and its compliance
17 with ETC obligations as set forth in the Lifeline Reform Order, including those aimed at
18 preventing waste, fraud and abuse within the Lifeline program. American Broadband
19 proposes to operate in South Carolina and elsewhere pursuant to the FCC's forbearance
20 of the ETC facilities requirement. Pursuant to S.C. CODE ANN. REGS. § 103-690(a)(6),
21 American Broadband provided an affidavit certifying to its compliance with these
22 requirements as Exhibit B to its Application.

1 **Q. HOW WILL AMERICAN BROADBAND MEET THE REQUIREMENT TO**
2 **PROVIDE 911 AND E911 ACCESS TO ITS LIFELINE CUSTOMERS?**

3 A. American Broadband understands its obligation as an ETC to provide access to
4 emergency services provided by local government or public safety officials. As
5 explained, the Company will operate by reselling the facilities-based services of Sprint
6 and T-Mobile, both established national wireless carriers. American Broadband's
7 customers will be provided the same access to emergency services that Sprint and T-
8 Mobile provide to their own customers. Calls to 911 emergency services will always be
9 free and emergency service access will be available regardless of service activation status
10 or the availability of minutes. Finally, American Broadband will comply with all FCC
11 and Commission requirements regarding provision of E911-compatible handsets to
12 ensure customer access to these critical services.

13
14 **Q. HAS AMERICAN BROADBAND SUBMITTED A COMPLIANCE PLAN TO**
15 **THE FCC?**

16 A. Yes. On May 25, 2012, the FCC approved American Broadband's Compliance Plan,
17 confirming that the Company's proposed operations comply with the FCC's rules for
18 Lifeline providers.

19
20 **Q. DOES AMERICAN BROADBAND SATISFY THE FCC'S ADDITIONAL**
21 **ELIGIBILITY CRITERIA FOR ETC DESIGNATION?**

22 A. Yes.

23

1 **Q. SPECIFICALLY, DOES AMERICAN BROADBAND CERTIFY THAT IT WILL**
2 **COMPLY WITH ALL SERVICE REQUIREMENTS APPLICABLE TO**
3 **LIFELINE SUPPORT FUNDING?**

4 A. Yes. American Broadband certifies that it will comply with the service requirements
5 applicable to the low-income support it receives as a result of designation as an ETC for
6 the purposes of providing Lifeline services.

7
8 **Q. HOW DOES AMERICAN BROADBAND DEMONSTRATE ITS ABILITY TO**
9 **REMAIN FUNCTIONAL IN EMERGENCY SITUATIONS?**

10 A. As discussed in this testimony and in the Company's Application, American Broadband
11 will utilize the extensive and well-established Sprint PCS and T-Mobile networks and
12 facilities to provide American Broadband's mobile services. The Sprint PCS and T-
13 Mobile networks are capable of managing traffic spikes that may occur during emergency
14 situations and can reroute traffic in the event of damaged facilities. American Broadband
15 also understands that each company has sufficient back-up power to ensure functionality
16 if its external power supply is unavailable. Indeed, both companies have repeatedly
17 certified to the FCC that their networks function in emergency situations.⁵ Sprint PCS
18 and T-Mobile will provide the same functionality to American Broadband and American
19 Broadband's customers as these carriers provide to themselves and their own customers.

20

⁵ See, e.g., *Sprint Nextel Corporation Verified Filing in Compliance with 47 C.F.R. § 54.209*, CC Docket No. 96-45, at 6 (filed Sept. 30, 2011); *In the Matter of Telecommunications Carriers Eligible for Universal Service Support, Petition of T-Mobile USA, Inc. for Designation as a Low-Income Eligible Telecommunications Carrier, et al.*, WC Docket No. 09-197, at 20 (released Aug. 16, 2012).

1 **Q. HOW DOES AMERICAN BROADBAND INTEND TO SATISFY ALL THE**
2 **CONSUMER PROTECTION AND SERVICE QUALITY STANDARDS**
3 **APPLICABLE TO ITS PROPOSED ETC OPERATIONS?**

4 A. The FCC has confirmed that a wireless ETC applicant may satisfy this requirement
5 through a commitment to comply with the CTIA Consumer Code.⁶ American Broadband
6 willingly commits to comply with the CTIA Consumer Code to ensure that it offers its
7 subscribers the highest degree of protection and service quality.

8
9 **Q. DOES AMERICAN BROADBAND HAVE THE REQUISITE FINANCIAL AND**
10 **TECHNICAL QUALIFICATIONS TO PROVIDE THE PROPOSED SERVICES?**

11 A. Yes it does. The Lifeline Reform Order explains that elements of the financial and
12 technical qualifications include (i) prior experience providing Lifeline service; (ii) length
13 of the carrier's business history; (iii) the degree to which the carrier's operations rely
14 upon Lifeline revenues; (iv) additional sources of revenue available to the carrier; and (v)
15 the carrier's regulatory history, specifically with respect to any enforcement or ETC
16 revocation actions. As discussed in its Application, American Broadband's principals
17 and affiliates have developed considerable expertise in marketing, particularly to low-
18 income customers, arising from operations dating back numerous years. The Company
19 has been delivering non-Lifeline wireline and wireless services since 2004. And,
20 American Broadband's non-Lifeline wireless and wireline revenue accounts of the
21 majority of the Company's revenue nationally. The success of the Company's non-
22 Lifeline offerings is reflected in long-term reliable profitability, generating substantial

⁶ See 47 C.F.R. § 54.202(a)(3).

1 revenues. Further, the Company will actively market to non-Lifeline customers and
2 consequently will not rely exclusively on Lifeline reimbursements for its operating
3 capital. Finally, American Broadband has not been subject to ETC enforcement
4 sanctions or revocation proceedings in any state.

5
6 **Q. PLEASE DESCRIBE THE COMPANY'S PROPOSED LIFELINE SERVICE**
7 **OFFERINGS FOR SOUTH CAROLINA.**

8 A. Of course. As explained in its Application, the Company will offer a number of Lifeline
9 service packages throughout its designated service area in South Carolina, except for
10 Tribal areas. In addition, American Broadband will offer plans that are only available to
11 Tribal residents. The Company's proposed Lifeline programs are listed below.

- 12 • **250 minutes per month** plan includes 250 monthly talk minutes of voice at no
13 charge, and 250 text messages per month at no charge. This plan does not offer
14 roll over voice minutes or roll over text messages, month to month. This plan will
15 be available throughout the Company's South Carolina service area except in
16 Tribal areas.
- 17 • **500 minutes per month** plan includes 500 monthly talk minutes of voice, and
18 500 text messages for \$10.70 per month (after application of the \$9.25 Lifeline
19 credit to the non-Lifeline rate of \$19.95). This plan does not offer roll over voice
20 minutes or roll over text messages, month to month. This plan will be available
21 throughout the Company's South Carolina service area except in Tribal areas.
- 22 • **Tribal Resident Lifeline Unlimited Plan** includes unlimited minutes of anytime,
23 local and domestic long distance voice calling and 1,000 text messages per month

at no cost to the subscriber after application of the \$34.25 Lifeline credit. Residents of Tribal lands may add a data/picture package to the plan at an additional cost of \$15.00 a month. This plan is available only to qualified residents of Tribal lands. This plan does not offer roll over voice minutes or roll over text messages, month to month.

- **Ability to apply the federal Lifeline credit to other plans.** If granted ETC designation status in South Carolina, American Broadband will offer to Lifeline eligible customers the availability to sign up for the identical packages that the Company intends to offer to its South Carolina non-Lifeline customers throughout its proposed service area, including an unlimited voice and unlimited texting plan.

These plans include the following:

<u>Plan – Prepaid</u>	<u>Price Per Month</u>
Unlimited Voice/Text and 1 GB Data	\$49.95
1500 Minute Talk/1500 Text	\$29.95
1000 Texts and 250 Talk Minutes	\$19.95
4000 Combined Voice Minutes and Text	\$34.25

American Broadband will apply the \$9.25 Lifeline credit to the non-Lifeline rate listed above for these plans.

Each of these American Broadband plans will include nationwide domestic long-distance calling at no extra per minute charge, as well as a basic menu of features, including access to 911, free voicemail, caller ID and call waiting, free access to operator service and directory listings for publicly listed, domestic, landline telephone numbers and addresses, and no annual contracts or monthly bills.

1 In addition, Lifeline customers will be able to purchase additional bundles of minutes for
2 depending on the minute package purchased. As an example, customers will be able to
3 purchase a 100 voice minute package for \$6.99 or 250 voice minutes and 250 text
4 messages for \$9.99. These additional airtime minutes will be available for purchase at
5 the Company's third-party retail locations and on its website.

6
7 **Q. ARE THERE ADDITIONAL TERMS AND CONDITIONS ASSOCIATED WITH**
8 **AMERICAN BROADBAND'S LIFELINE SERVICE PLANS?**

9 A. Yes. The Company's Terms and Conditions are provided to customers upon request and
10 are available on American Broadband's website at www.americanassistance.com/program/.

11
12 **Q. WOULD DESIGNATION OF AMERICAN BROADBAND AS AN ETC IN**
13 **SOUTH CAROLINA SERVE THE PUBLIC INTEREST?**

14 A. Absolutely. Designation of American Broadband as an ETC for Lifeline purposes in
15 South Carolina will ensure that low-income South Carolina consumers have another
16 choice among Lifeline providers. More importantly, it will ensure the availability of
17 high-quality mobile service and emergency services to a population that may currently
18 lack such services. As discussed in American Broadband's Petition, low-income
19 consumers often work in migratory jobs and often have an above-average frequency of
20 moving between residences. Wireless service ensures availability of reliable voice and
21 texting services, access to emergency services and access to job resources, even as a
22 customer is "between" homes and/or jobs. Of equal importance, prepaid wireless such as
23 that offered by American Broadband protects low-income consumers from the potentially

1 devastating impact of hidden costs, unexpectedly high monthly charges and long term
2 contract issues common among the larger carriers. With American Broadband's wireless
3 service packages, customers will enjoy the considerable savings of all-distance domestic
4 calling, and be spared the burdensome expense of long distance calling charges. The
5 inclusion of texting service in the Company's basic service packages will provide
6 customers with an increasingly essential tool for family coordination and work
7 management.

8 In addition, consumers that regularly incur high minute usages will be able to purchase
9 ongoing "additional minutes" plans. Those who experience an unexpected sudden need
10 for more airtime will be easily able to "top-up" minutes on a one-time basis. In a
11 persistently challenging economy, low-income consumers need all these tools at an
12 affordable rate. Because American Broadband does not impose credit checks or collect
13 deposits, the Company's services will be readily available to consumers with the greatest
14 need. American Broadband's flexible service offerings will allow these customers to
15 tailor their services to meet their own individual needs. American Broadband's prepaid
16 pricing plans will enable them to anticipate their monthly expenditures, avoiding the all-
17 too-common experience of cell service "invoice shock." Finally, American Broadband's
18 offering of these consumer-friendly service packages in the South Carolina
19 telecommunications market should motivate other carriers to improve their own
20 competitive offerings, to the benefit of all South Carolina's wireless customers.

1 **Q. WILL DESIGNATION OF AMERICAN BROADBAND AS AN ETC IN SOUTH**
2 **CAROLINA HAVE ANY EFFECTS UPON COMPETITION IN THE STATE?**

3 A. Very likely. As I was just noting, American Broadband's entry into the South Carolina
4 market for telecommunications services applies market forces on other lifeline providers
5 to increase the competitive caliber of their service offerings.
6

7 **Q. WILL DESIGNATION OF AMERICAN BROADBAND AS AN ETC IN SOUTH**
8 **CAROLINA HAVE ANY ADVERSE EFFECT UPON THE UNIVERSAL**
9 **SERVICE FUND?**

10 A. No. American Broadband is seeking reimbursement for federal Lifeline services only,
11 whereas the vast bulk of federal Universal Service Fund ("Fund") expense arises from the
12 high-cost fund subsidies. The FCC has confirmed that the advantages of adding a
13 Lifeline-only ETC outweigh any potential disadvantages, including the effect on the
14 Fund.⁷ Further, it warrants mention that Lifeline subsidies are customer-specific and
15 remain the same regardless of which carrier provides the services. American
16 Broadband's presence in the market likely will increase participation in the Lifeline
17 program, resulting in increased Lifeline subsidies for South Carolina consumers.
18

19 **Q. WILL AMERICAN BROADBAND COMPLY WITH THE REQUIREMENTS**
20 **FOR LIFELINE ELIGIBILITY CERTIFICATION AND VERIFICATION?**

21 A. Absolutely. American Broadband is committed to full compliance with the requirements
22 of the FCC and this Commission regarding certification and verification of a customer's

⁷ See *TracFone Wireless, Inc. Petition for Designation as an Eligible Telecommunications Carrier*, CC Docket No. 96-45, Order, FCC 08-100, ¶16, n. 47 (2008).

1 qualification for Lifeline service and has implemented procedures to ensure the
2 requirements are met. As described in American Broadband's Compliance Plan (which
3 was submitted as an exhibit to the Company's Application), the Company has developed
4 detailed and comprehensive procedures to address customer certification and verification
5 requirements as well as the requirements concerning de-enrollment and duplication of
6 service. These procedures comply fully with the FCC's recently-revised customer
7 certification and verification requirements. American Broadband also commits to
8 comply with the FCC's annual certification requirement, as well as the FCC's measures
9 to prevent waste, fraud, and abuse of Lifeline services. The Company understands that
10 effective elimination of wasteful and/or fraudulent drains on limited Lifeline funding can
11 only be achieved through ongoing coordination with key state agency personnel and
12 active use of the NLAD duplicates database. For this reason, American Broadband
13 commits to work collaboratively with ORS and other appropriate agencies to ensure the
14 initial and continued eligibility of its South Carolina Lifeline customers.

15
16 **Q. HOW DOES THE COMPANY'S DE-ENROLLMENT PROTOCOL WORK?**

17 A. As discussed in its Compliance Plan, American Broadband commits to full compliance
18 with the FCC's rules requiring de-enrollment of Lifeline customers after 60 days of non-
19 use. The Company will contact all customers found not to have used their service for 60
20 days. These contacts will be made using a combination of first-class mail, text messages,
21 and/or phone calls and will clearly alert the customers that continued failure to use their
22 Lifeline service within a subsequent 30-day period will result in de-enrollment and loss
23 of service. Subscribers will be instructed as to the means by which they can "use" the

1 service and avoid de-enrollment. *See* Compliance Plan at 14-15. In addition, American
2 Broadband will comply with the FCC’s rules regarding de-enrollment of customers that
3 fail to recertify their eligibility for Lifeline service on an annual basis. American
4 Broadband will de-enroll subscribers that do not respond to the annual verification or fail
5 to provide the required certification.⁸ American Broadband will send a single written
6 notice explaining that failure to respond to the re-certification request within 30 days will
7 result in the subscriber’s de-enrollment from the Lifeline program. If the subscriber does
8 not respond within the 30 days, the Company will de-enroll the subscriber within five
9 business days. *See* Compliance Plan at 14.

10
11 **Q. HOW WILL AMERICAN BROADBAND ENSURE THAT PROSPECTIVE**
12 **CUSTOMERS COMPLY WITH THE “ONE-PER-HOUSEHOLD” RULE FOR**
13 **LIFELINE SUPPORT?**

14 A. As described in full detail in American Broadband’s Compliance Plan, the Company’s
15 efforts to ensure that customers receive only one Lifeline benefit per household comply
16 with the FCC’s rules and extend throughout its marketing, enrollment, and recertification
17 processes. First, all American Broadband’s marketing materials will include a disclosure
18 stating that only one Lifeline discount may be received per household, which is consistent
19 with the requirements of the FCC’s new rules. Second, at the outset of the Lifeline
20 enrollment process, applicants are asked if their household currently receives a Lifeline
21 benefit from any provider, and American Broadband confirms the information the
22 applicant provides through Lifeline duplicates databases, like NLAD. As part of the

⁸ *See* Lifeline Reform Order, ¶ 142; 47 C.F.R. § 54.405(e)(4).

1 enrollment process, customers are informed about the one per household requirement,
2 including the definition of household. And, to enroll, applicants must certify that, to the
3 best of their knowledge, their household is not already receiving a Lifeline service
4 benefit. As part of the enrollment process, applicant names and addresses are checked
5 against state and federal databases to avoid duplicate benefits. Finally, customers are
6 required to again certify that they are not receiving more than one Lifeline benefit per
7 household as part of the eligibility re-certification process.

8
9 **Q. WILL AMERICAN BROADBAND COMPLY WITH ALL OTHER FCC AND**
10 **COMMISSION RULES APPLICABLE TO ETC OPERATIONS IN SOUTH**
11 **CAROLINA?**

12 A. Yes. The Company stands by the commitments asserted in its Application to comply
13 with the rules and regulations of the FCC and of this Commission with respect to
14 provision of Lifeline services in South Carolina, except as waived by the Commission.

15
16 **Q. WILL AMERICAN BROADBAND TIMELY PAY ALL APPLICABLE**
17 **FEDERAL, STATE AND LOCAL REGULATORY FEES AND ASSESSMENTS**
18 **APPLICABLE TO ITS ETC OPERATIONS IN SOUTH CAROLINA?**

19 A. Yes, it will. American Broadband acknowledges and accepts its obligations with respect
20 to payment of federal, state, and local regulatory fees, taxes, and assessments (including
21 customer assessment where required).

22

1 **Q. WHEN WILL AMERICAN BROADBAND BE READY TO OFFER LIFELINE**
2 **SERVICES IN SOUTH CAROLINA?**

3 A. American Broadband is currently finalizing its arrangements in order to be ready to
4 initiate operations promptly after the Commission grants the Company's Application.

5

6 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

7 A. Yes.

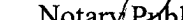
VERIFICATION

STATE OF OHIO)
County of) ss.
)

I, Jeffrey Ansted, being first duly sworn upon oath, depose and say that I am the President of American Broadband and Telecommunications Company, and as such am authorized to make this verification on its behalf; that I have read the foregoing Testimony; that I know the contents thereof; and that the facts set forth in the foregoing Testimony are true and correct to the best of my knowledge, information and belief.

J.H. C. M.

Subscribed and sworn to before me this 11th day of May, 2015.


Notary Public



KATHLEEN K. YOAKAM
NOTARY PUBLIC - OHIO
MY COMMISSION EXPIRES 05-07-2018

My Commission expires: 5-7-18